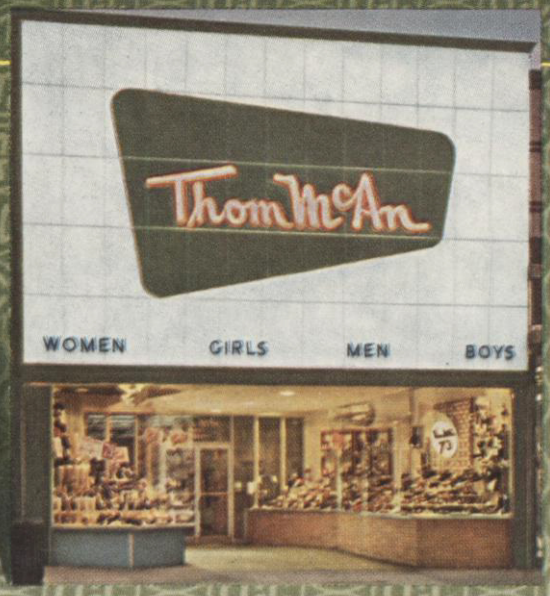
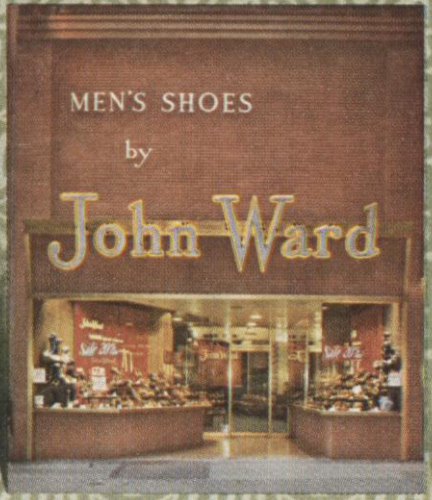
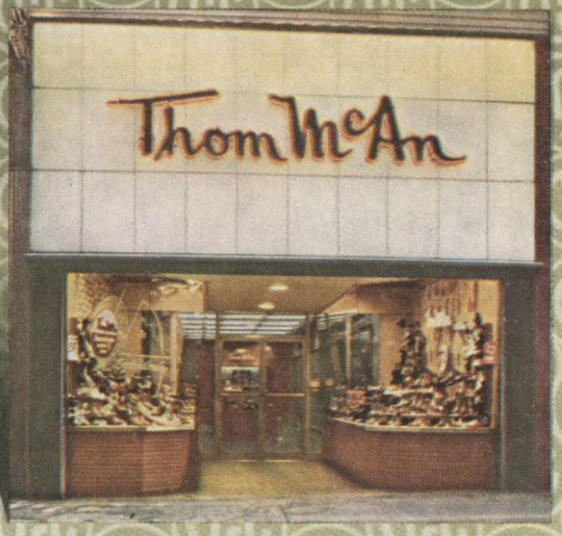
MELVILLE SHOE CORPORATION

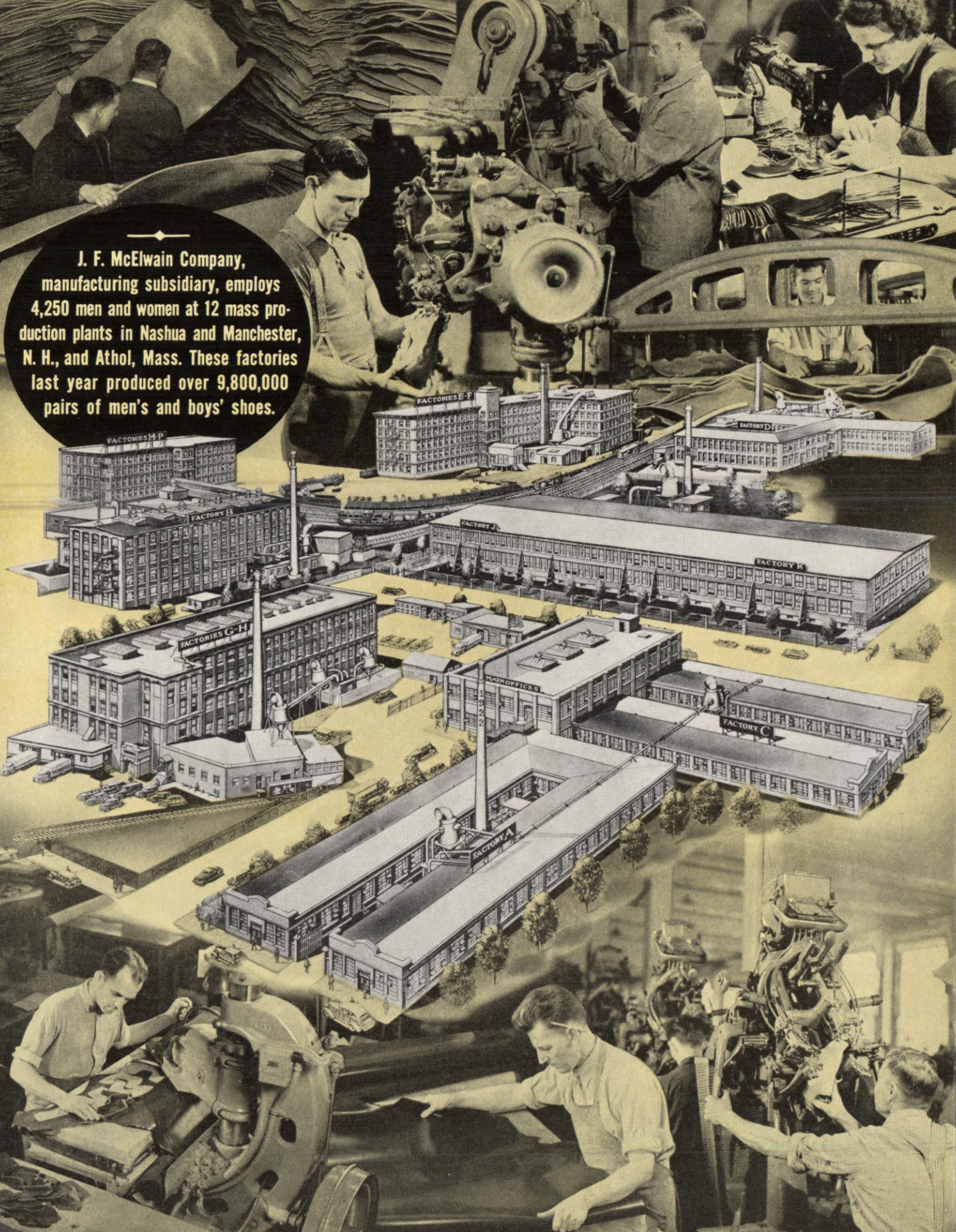
1952

ANNUAL REPORT








J. F. McElwain Company, manufacturing subsidiary, employs 4,250 men and women at 12 mass production plants in Nashua and Manchester, N. H., and Athol, Mass. These factories last year produced over 9,800,000 pairs of men's and boys' shoes.
FACTORIES E-F
FACTORY D
FACTORIES M-P
FACTORY B
FACTORY J
FACTORY K
FACTORIES G-H
MAIN OFFICES
FACTORY C
FACTORY A

MELVILLE SHOE CORPORATION

Executive Offices:
25 WEST 43RD STREET, NEW YORK 36, N. Y.

Accounting, General Offices and Warehouse:
44 HAMMOND STREET, WORCESTER 10, MASS.

J. F. McElwain Company

Factories:
NASHUA, N. H. (4); MANCHESTER, N. H. (7); ATHOL, MASS. (1)

General Offices:
103 TEMPLE STREET, NASHUA, N. H.
140 FEDERAL STREET, BOSTON 10, MASS.

Miles Shoe Division

Executive Offices:
345 HUDSON STREET, NEW YORK 14, N. Y.

Counsel: DAVIS POLK WARDWELL SUNDERLAND & KIENDL
Auditors: PEAT, MARWICK, MITCHELL & CO.
Transfer Agent: IRVING TRUST COMPANY, *1 Wall Street, New York 15, N. Y.*
Registrar: CITY BANK FARMERS TRUST CO., *22 William Street, New York 15, N. Y.*

MELVILLE SHOE CORPORATION

Directors

J. FRANKLIN MC ELWAIN, *Chairman*
FREDERIC ATTWOOD
GEORGE DICK
ROBERT C. ERB
LESTER R. FALLON
JOEL E. FISHER
FRANCIS H. GLEASON
DAVID W. HERRMANN
WARD MELVILLE
JOSEPH L. MERRILL
FRANCIS P. MURPHY
SEWARD M. PATERSON
MURRAY M. ROSENBERG
J. BRENT WELLS

Officers

WARD MELVILLE, *President*
LESTER R. FALLON, *Executive Vice-President*
JOSEPH L. MERRILL, *Vice-President, Finance*
GEORGE DICK, *Vice-President, Shoe Merchandising*
J. BRENT WELLS, *Vice-President, Sales Promotion, General Manager of John Ward Chain*
DAVID W. HERRMANN, *Vice-President, General Manager of Miles Shoe Chain*
JOHN B. FITCH, *Vice-President, Personnel and Public Relations*
EDWARD W. HEMPHILL, *Vice-President, Hosiery Merchandising*
LEONARD A. SHEA, *Vice-President, General Manager of Thom McAn Gold Line Chain*
LAFAYETTE A. TREMBLAY, *Vice-President, General Manager of Thom McAn White Front Chain*
H. ALBERT BRODIN, *Treasurer*
JOEL E. FISHER, *Secretary*
FRANK SOKOL, *Assistant Treasurer*
ARTHUR PAAR, *Assistant Secretary*
BERTHA K. SMITH, *Assistant Secretary*

J. F. McELWAIN COMPANY

Directors

J. FRANKLIN MC ELWAIN, *Chairman*
ROBERT C. ERB
RANDALL D. ESTEN
FRANCIS H. GLEASON
JAMES C. MACKAY
WARD MELVILLE
JOSEPH L. MERRILL
FRANCIS P. MURPHY
ROBERT A. T. NELSON
SEWARD M. PATERSON

Officers

J. FRANKLIN MC ELWAIN, *Chairman of the Board*
ROBERT C. ERB, *President, General Manager, Head of Merchandising and Sales Division*
FRANCIS H. GLEASON, *Executive Vice-President, Assistant General Manager, Head of Upper Leather Division*
FRANCIS P. MURPHY, *Vice-President*
SEWARD M. PATERSON, *Vice-President*
ROBERT A. T. NELSON, *Vice-President, Head of Manufacturing Division*
JAMES C. MACKAY, *Vice-President, Head of Sole Leather Division*
RANDALL D. ESTEN, *Treasurer*
CLINTON P. WALLACE, *Comptroller*
AGNES H. FISCHER, *Assistant Treasurer*

MILES SHOE DIVISION

Directors

MURRAY M. ROSENBERG, *Chairman*
DAVID W. HERRMANN
BERNARD D. LANG
JOSEPH S. OETTINGER
SPENCER D. OETTINGER
MILES ROSENBERG
SAMUEL H. ROSENBERG

Officers

MURRAY M. ROSENBERG, *President*
SAMUEL H. ROSENBERG, *Vice-President*
DAVID W. HERRMANN, *Vice-President and Secretary*
JOSEPH S. OETTINGER, *Vice-President and Treasurer*
SPENCER D. OETTINGER, *Vice-President*
MILES ROSENBERG, *Assistant Secretary*
SYLVAN BANE, *Assistant Vice-President*
MEYER BOGORFF, *Assistant Vice-President*
NICHOLAS G. KUHN, *Assistant Vice-President*
LEON RICHMAN, *Comptroller*

Melville Realty Company, Inc. and R-W Realty Company, Inc.

ARTHUR PAAR, *President*
JAMES O. THOMAS, *Vice-President*
H. ALBERT BRODIN, *Treasurer*
JOEL E. FISHER, *Secretary*
BERTHA K. SMITH, *Assistant Secretary*

To the Stockholders... Melville Shoe Corporation:

The highlights of the operations for the year 1952 are summarized on page 5 and financial statements appear on pages 6, 7, and 8.

Net sales were $90,384,955 as compared with $92,740,699, a decrease of 2.5%. Sales to the armed forces were $9,228,155 compared with $19,539,148 in 1951, a decrease of $10,310,993 or 52%.

Earnings before taxes amounted to $9,780,990, a decrease of 6.5%. Earnings after taxes showed a slight increase of .9%, $4,712,170 compared with $4,669,369 for 1951. Income taxes were 7.6% more than net earnings.

Dividend payments during the year amounted to $1.80 per share on the common stock, the same rate which has been in effect during each of the past four years. Cash and governments at year end totalled $20,800,859 compared with $16,537,592 at the end of 1951, an increase of $4,263,267.

The outstanding event of the year was the consolidation with Miles Shoes, Incorporated. This company operated stores in the metropolitan area of New York and 6 adjacent eastern states and the District of Columbia. These stores sell women's shoes primarily, also children's shoes and a small volume of men's shoes, all at popular prices, thus providing diversification in appeal and complementing the sales coverage of Thom McAn stores. This type of store opens up large possibilities for expansion and increased profits. Miles continues as an autonomous division under the direction of its own officers and staff.

The company's earnings are still adversely affected by the number of customers in the armed forces and the continuance of the excess profits tax.

The officers and directors wish to express their sincere appreciation to all of their 7,369 associates and co-workers in stores, warehouse, factories and offices, for their continued loyalty and cooperation in our effort to serve the public well, and to all their 15,408 stockholders. We sincerely welcome suggestions for improving any phase of our operations or our reports and we hope every stockholder will take a personal interest in our business.

Respectfully submitted,

J. Franklin McElwain

CHAIRMAN OF THE BOARD

March 14, 1953

Ward Melville

PRESIDENT

Description of the Business

MELVILLE SHOE CORPORATION, founded in 1892 and incorporated in 1914, is the largest integrated shoe manufacturing-retailing organization in the United States. It is fifth in net sales and second in net earnings in the shoe industry. It operated at the year-end 739 stores in 42 states and the District of Columbia; 12 factories in New Hampshire and Massachusetts; 2 warehouses, one in Worcester, Massachusetts, the other in New York City; from Worcester shoes are distributed to 588 of the company's stores and from New York City to 151.

Each warehouse serves as a record keeping center for accounting and merchandise distribution for its respective stores. Two executive offices are maintained in New York City, one for each of the principal retailing divisions. A factory office is maintained in Boston.

Of the 588 stores supplied out of the Worcester warehouse, 577 are Thom McAn stores selling popular-priced men's and boys' shoes; 11 are John Ward stores, located in the East, selling medium priced men's shoes. The first Thom McAn store was opened in 1922. Although 87 of the 577 Thom McAn stores sell women's and children's shoes in addition to men's and boys', 90% of Thom McAn and John Ward business is in men's and boys' shoes, hosiery and rubber footwear. Combination stores are located principally in towns or neighborhoods where they may operate more profitably than stores selling men's and boys' only.

In 1939 Melville Shoe Corporation was merged with the J. F. McElwain Company, manufacturers of Thom McAn men's and boys' shoes, a company with which it already had worked in closest coordination for eighteen years. The companies, although under one ownership, and although closely coordinated in merchandising, remain entirely separate in operation—one concentrating on distribution and the other on production.

As of October 1, 1952 Miles Shoes Incorporated was consolidated with the company. Miles Shoes is now a division of Melville Shoe Corporation. This division's 151 stores are in the East, in 74 cities in 7 states and the District of Columbia. Although they retail men's shoes, over 94% of their sales are in women's and children's shoes and related women's merchandise. This companion division permits further flexibility in the distribution of shoes to areas or locations more advantageous to the profitable sale of women's merchandise. These stores specialize in a popular-priced line of women's and girls' shoes.

Highlights

INCLUDES FIGURES OF MILES SHOES FROM DATE OF CONSOLIDATION 10/1/52

	1952	1951	Percent Change
Sales:			
Factory and Warehouse	$ 37,958,789	$ 36,336,367	+ 4.5
To Armed Forces	9,228,155	19,539,148	—52.7
Stores	77,279,922	70,047,221	+10.3
Total Sales	124,466,866	125,922,736	— 1.2
Inter-company Sales	34,081,911	33,182,037	+ 2.7
Net Sales	90,384,955	92,740,699	— 2.5
Earnings Before Federal Taxes	9,780,990	10,456,529	— 6.5
Net Earnings After Taxes	4,712,170	4,669,369	+ .9
Net Earnings Percent of Total Sales	3.78%	3.71%	
Net Earnings Percent of Net Sales	5.21%	5.03%	
Earnings Per Share of Common Stock	$1.91	$2.00	— 4.5
Dividends on Preferred Stock	34,043	——	——
Dividends on Common Stock	4,415,147	4,212,803	+ 4.8
Dividends Per Share of Common Stock	1.80	1.80	
Wages and Compensation	23,584,510	21,052,294	+12.0
Taxes—Federal, State and Local	6,631,069	7,228,010	— 8.3
Taxes—Per Share of Common Stock	2.70	3.09	—12.6
Cash and Governments	*20,800,859	16,537,592	+25.8
Inventories (all but $167,423 of this increase is in the Miles Division)	12,214,267	8,161,136	+49.7
Total Current Assets	28,507,848	26,826,573	+ 6.3
Total Current Liabilities	6,832,084	11,197,224	—39.0
Net Working Capital	21,675,764	15,629,349	+38.7
Ratio of Working Capital	4.17	2.40	+73.8
Bank Loans, Mortgages or Funded Indebtedness	None	None	
Capital Additions and Improvements	1,541,165	1,626,574	— 5.3
Maintenance and Repairs	574,130	529,766	+ 8.4
Depreciation	1,503,036	1,338,447	+12.3
Plant, Property, Equipment Before Depreciation	19,288,538	14,849,319	+29.9
Accumulated Depreciation and Amortization	11,247,337	8,289,658	+35.7
Plant, Property and Equipment Net	8,041,201	6,559,661	+22.6
Number of Stockholders of Record	15,408	12,455	+23.7
Number of Employees	7,369	6,552	+12.5
Number of Stores	739	577	+28.1
Number of Shares of Preferred Stock	21,500	None	
Number of Shares of Common Stock	**2,452,958	2,340,458	

* Includes Government Securities purchased to cover tax liability

** Average outstanding during the year

MELVILLE SHOE CORPORATION

STATEMENT OF CONSOLIDATED FINANCIAL CONDITION

INCLUDES FIGURES OF MILES

NET ASSETS IN WHICH CAPITAL AND RETAINED EARNINGS WERE INVESTED:

	1952	*1951*
Current assets:		
Cash	$14,310,810	$16,006,091
United States Government securities, at cost plus accrued interest	6,490,049	531,501
Less deduction from estimated liability for Federal taxes on income	6,047,172	——
	442,877	531,501
Accounts receivable, trade and miscellaneous less provision for possible losses	761,995	1,499,390
Inventories (Note 1):		
Finished goods	9,867,654	5,205,325
Work in process, raw materials and supplies	2,346,613	2,955,811
	12,214,267	8,161,136
Prepaid insurance, taxes, rents, supplies, etc.	777,899	628,455
Total current assets	28,507,848	26,826,573
Deduct current liabilities:		
Accounts payable	3,936,631	2,701,079
Accrued taxes, rents, royalties, and sundry expenses	2,895,453	2,116,345
Federal taxes on income, estimated	6,047,172	6,379,800
Less United States Treasury notes	6,047,172	——
	——	6,379,800
Total Current liabilities	6,832,084	11,197,224
Working capital	21,675,764	15,629,349
Property, plant and equipment, at cost, less depreciation and amortization:		
Land and buildings	2,153,675	1,881,693
Machinery and equipment	1,502,696	1,481,623
Store and office fixtures, improvements to leased properties and miscellaneous equipment	15,632,167	11,486,003
	19,288,538	14,849,319
Less accumulated depreciation and amortization	11,247,337	8,289,658
	8,041,201	6,559,661
Other assets:		
Claims for refund of Federal taxes on income (resulting from replacement of inventories involuntarily liquidated in prior years)	1,219,561	1,488,901
Cash surrender value of $1,314,000 in 1952 and $764,000 in 1951 of life insurance policies on lives of officers	621,214	290,014
Investment, at cost, in non-consolidated subsidiary (Equity at November 30, 1952, $439,939.00—Note 2)	255,000	——
	2,095,775	1,778,915
	31,812,740	23,967,925
Miscellaneous items (Net)	226,729	354,855
	$31,586,011	$23,613,070

and Subsidiary Companies

AS OF DECEMBER 31, 1952, WITH COMPARATIVE FIGURES FOR 1951

SHOES AS OF DECEMBER 31, 1952

SOURCES FROM WHICH NET ASSETS WERE OBTAINED:	*1952*	*1951*
Cumulative preferred stock, par value $100 each, issuable in series. Authorized 150,000 shares. Series A, $4.75 dividend; issued and outstanding 21,500 shares (redeemable at $103 a share to March 1, 1953, at $102 to March 1, 1955 and at $100 thereafter, plus accrued dividends in each case)	$ 2,150,000	——
Common stock, par value $1.00 each. Authorized 3,500,000 shares; issued and outstanding 2,790,458 shares in 1952 and 2,340,458 in 1951 (Note 3)	11,857,355	$11,407,355
Capital resulting from purchase of preferred shares of Miles Shoes Incorporated under par value before consolidation	41,692	——
Balance of earnings retained for use in the business (Note 4)	17,536,964	12,205,715
	$31,586,011	$23,613,070

Notes to Financial Statements

1. INVENTORIES

Approximately 51% of the consolidated inventories, less provision for price decline $583,285, is valued at last-in, first-out (LIFO) cost, which is substantially below market. The remaining portion of the inventory is valued at (1) the lower of cost (computed principally on the basis of current averages by classes, with some materials by the first-in, first-out method) or replacement market; (2) the lower of cost or market based on the retail inventory method with respect to substantially all of the Miles line. The LIFO method of valuation was applied to the remainder of the Miles inventory, as of the date of the consolidation; the effect of this change on consolidated net income is negligible.

2. NON-CONSOLIDATED SUBSIDIARY

The investment in non-consolidated subsidiary, which is not considered significant, represents the ownership of all the outstanding stock of the W. H. Miles Shoe Co., Inc., a general shoe wholesaler located in Richmond, Virginia.

3. COMMON STOCK

Additional capital amounting to $9,066,897, which arose from conversion of 4% preferred shares into common shares prior to redemption of the 4% preferred issue in February, 1950, is included in common stock capital in accordance with statutory requirements.

4. EARNINGS

Balance of earnings retained for use in the business includes undistributed earnings of subsidiaries which may be subject to Federal and state taxes, if and when they are transferred in the form of dividends to the Company.

5. RETIREMENT PLAN

The liability under the employees' contributory retirement plan for the year ended December 31, 1952 amounted to $225,187. In the event the plan is continued from year to year, the maximum payments on account of past service will aggregate approximately $640,000, of which $518,000 has been paid.

6. RENEGOTIATION

A subsidiary company may be required to renegotiate contract prices of products furnished the United States Government during the year 1952. No provision has been made in the accounts for possible refund to the United States Government as it is believed that any refund would not be material. The company has been advised that there is no liability for the year 1951.

7. LONG TERM LEASES

At December 31, 1952 the total minimum annual fixed rentals payable under leases expiring after December 31, 1957 was $1,654,000 per annum, including the Miles chain, $807,000, plus real estate taxes, insurance, etc., under certain leases. Leases covering about 60% of this amount expire on various dates prior to December 31, 1962.

MELVILLE SHOE CORPORATION

and Subsidiary Companies

STATEMENT OF CONSOLIDATED EARNINGS AND BALANCE OF CONSOLIDATED EARNINGS RETAINED FOR USE IN THE BUSINESS FOR THE YEAR ENDED DECEMBER 31, 1952, WITH COMPARATIVE FIGURES FOR 1951

Includes figures of Miles Shoes from date of consolidation, October 1, 1952.

	1952	*1951*
Sales:		
Stores	$ 77,279,922	$ 70,047,221
Factories and warehouse (Armed forces: $9,228,155 in 1952 and $19,539,148 in 1951)	47,186,944	55,875,515
	124,466,866	125,922,736
Less inter-company sales	34,081,911	33,182,037
Net sales	90,384,955	92,740,699
Cost of sales and store operating, selling, general, and administrative expenses (exclusive of following deductions)	78,921,560	80,752,940
	11,463,395	11,987,759
Deduct:		
Depreciation	1,503,036	1,338,447
Employees' pension retirement plan (Note 5)	225,187	197,906
Other charges	54,358	67,738
	1,782,581	1,604,091
	9,680,814	10,383,668
Other income	100,176	72,861
	9,780,990	10,456,529
Provision for Federal taxes on income:		
Normal and surtax	4,806,320	5,242,165
Excess profits tax	262,500	544,995
	5,068,820	5,787,160
Net earnings	4,712,170	4,669,369
Deduct dividends paid:		
Preferred Stock, Series A, $4.75 a share per annum, adjusted	34,043	——
Common Stock, $1.80 a share	4,415,147	4,212,803
	4,449,190	4,212,803
Current earnings retained for use in the business	262,980	456,566
Amount at beginning of year	12,205,715	11,749,149
Retained earnings of Miles Shoes Incorporated and subsidiaries as of date of consolidation, September 30, 1952	5,068,269	——
Balance of earnings retained for use in the business	$ 17,536,964	$ 12,205,715

See accompanying notes to financial statements on preceding page

.....Accountants' Report

To the Board of Directors and Shareholders
Melville Shoe Corporation
New York 36, N. Y.

We have examined the statement of consolidated financial condition of Melville Shoe Corporation and subsidiary companies as of December 31, 1952 and the related statements of consolidated earnings and balance of consolidated earnings retained for use in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The accounts of Miles Shoes Incorporated (which became Miles Shoes Division of Melville Shoe Corporation as of September 30, 1952) and consolidated subsidiaries for the period from September 30, 1952 to December 31, 1952 are incorporated in the accompanying consolidated financial statements on the basis of a report furnished by S. D. Leidesdorf & Co., Certified Public Accountants.

In our opinion, based on our examination and on the report of S. D. Leidesdorf & Co., referred to in the preceding paragraph, the accompanying statement of consolidated financial condition and statement of consolidated earnings and balance of consolidated earnings retained for use in the business present fairly the financial position of Melville Shoe Corporation and subsidiary companies at December 31, 1952 and the results of their operations for the year then ended, including Miles Shoes Incorporated (which became Miles Shoes Division of Melville Shoe Corporation as of September 30, 1952) and consolidated subsidiaries since September 30, 1952, in conformity with generally accepted accounting principles applied on a basis consistent in all material respects with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

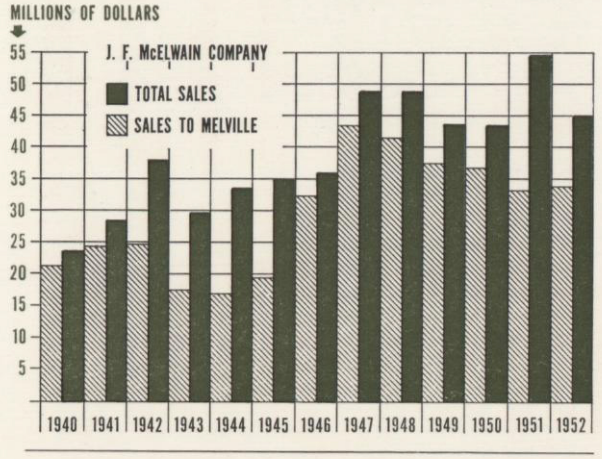
Worcester, Mass., March 6, 1953

A Brief Review of 1952

Net earnings for the year amounted to $4,712,170 as against $4,669,369 in 1951. This is the equivalent to $1.91 per average share outstanding, compared with $2.00 per share in the previous year. Earnings before taxes were $9,780,990 as against $10,456,529 in 1951.

Total sales were $124,466,866 as compared with $125,922,736 in 1951. Sales at retail were $77,279,922 compared with $70,047,221 in 1951.

J. F. McElwain Company sales in total as compared with their sales to Melville Shoe Corporation are shown in the following chart:



Retail Operations

In accordance with our custom of regarding ourselves as purchasing agent for the consumer, with permanent interest in making available to the public the lowest possible prices consistent with the maintenance of quality, prices of Thom McAn men's and boys' shoes were reduced during year.

Net inventories of $12,214,267 included $3,885,708 applicable to the Miles division. This indicates an increase of $167,423 or 2% in the inventories of the business as it was in 1951.

Financial Position

Our financial position is the best it ever was. Total cash and governments at the year end amounted to $20,800,859, compared with $16,537,592 at the end of 1951. We had no bank loans during the year and have not borrowed for over twelve years. We never have had any funded indebtedness. Our ratio of current assets to current liabilities was 4.17 to 1 compared with 2.40 to 1 as of Dec. 31, 1951.

As a result of the lifo method and other reserves, inventory is valued at an amount substantially below today's market levels. Our fixed assets also are carried on our books considerably under replacement values.

Distribution of Sales Revenue

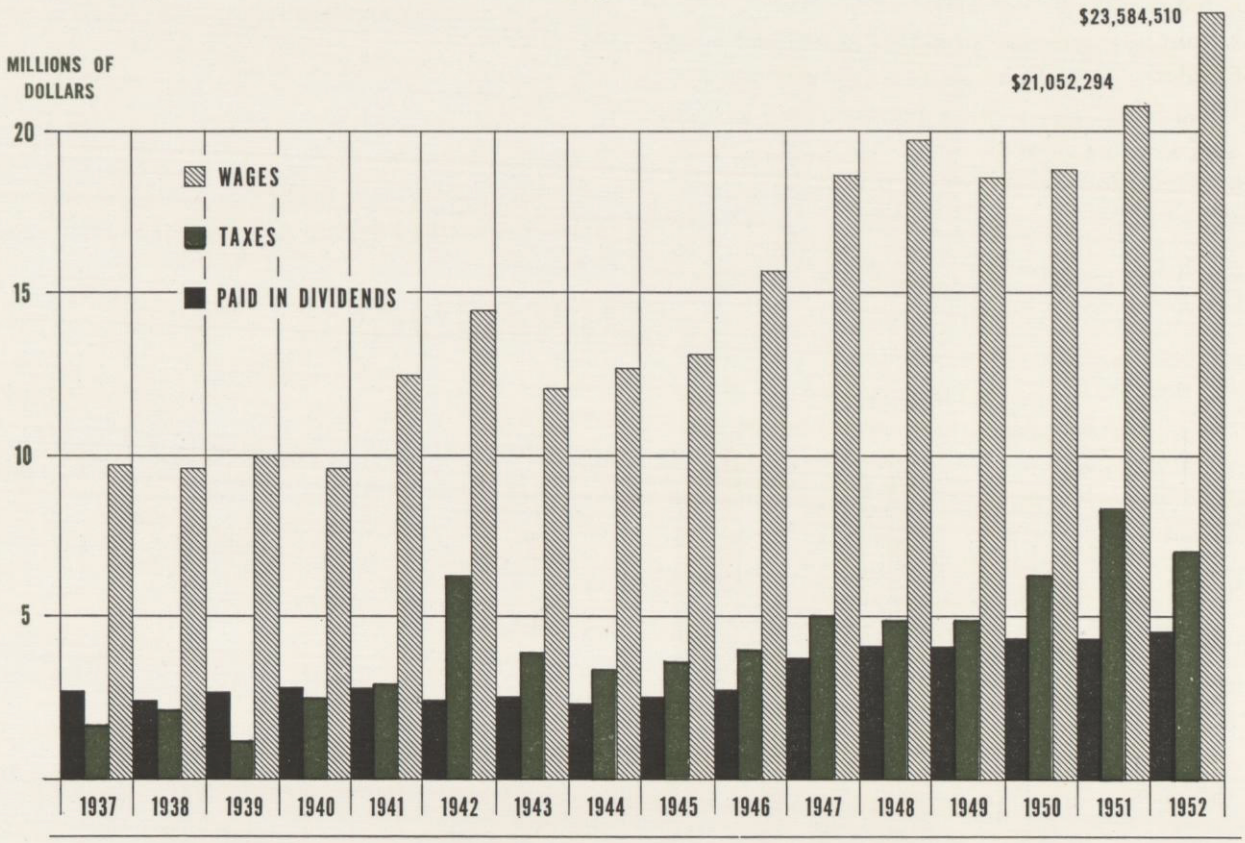
The distribution of the company's receipts from sales is shown below:

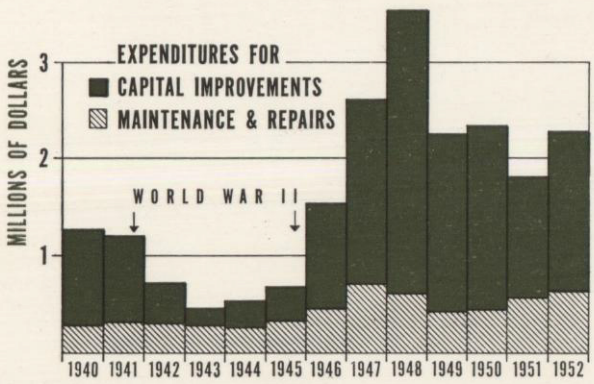
	1952	*1951*
The Company received for its product	$90,384,955	$92,740,699
The Company paid for all expenses, exclusive of taxes and amounts paid to or for benefit of employees	55,457,206	59,791,026
Remainder	$34,927,749	$32,949,673
This was divided as follows:		
Wages and compensation	23,584,510	21,052,294
Taxes	6,631,069	7,228,010
Paid to Stockholders or retained in the business	4,712,170	4,669,369

After payments for materials, merchandise, taxes and other necessary expenses, 83% of the balance went to the company's 7,369 employees and 17% was paid to the 15,408 stockholders or retained in the business.

Federal, state and local taxes were equivalent to $2.70 per share of common stock outstanding, compared with $3.09 per share in 1951. This is 41% more than the $1.91 per share earnings for common stock in 1952.

Provision for Federal income taxes amounted to $5,068,820, which is equal to $2.07 per share of common stock outstanding.





Stores

During 1952 the company remodelled, enlarged or otherwise improved 96 stores. 9 stores were replaced by new stores in different locations in the same communities. 7 stores were closed and 19 new stores were opened.

Advertising and Public Relations

Advertising activities in both national and local media were continued aggressively in 1952. For Thom McAn men's shoes, Life magazine carried a regular and substantial schedule of large advertisements, highlight of which was the double-page spread in September—the biggest single shoe advertisement ever to appear in this publication. Nationally circulated comic magazines were also used with advertisements beamed at the teen-age market.

At the local level we expanded our use of television to include 14 of the country's largest market areas. Newspaper advertising was also employed extensively to attain immediate sales objective. All new store openings were strongly promoted with gratifying results.

Our active public relations program also kept us in the public eye. The Thom McAn Football Trophy awarded locally to outstanding high school players in cooperation with local newspaper sport editors received much favorable publicity. The 30th Anniversary Celebration of the opening of the first Thom McAn store, frequent radio and television appearances by company executives and the furnishing of film of college football games for showing to armed forces throughout the United States, as well as in Korea, were other activities by which we met the public outside of our stores. Our program of local Chamber of Commerce memberships and charitable contributions on behalf of individual stores continued to help our store personnel in their civic and community relations. Our movie films "If the Shoe Fits," covering how shoes are made, and "The Danger Line," emphasizing the problems of children's shoes outgrown before they are worn out, were booked for showing before more than 4,300 school, social and fraternal groups, not counting 40 television showings in areas where some 17 million TV sets are in use.

Dividend Record

Melville Shoe Corporation has paid dividends each year since 1916, the year it began to function as a corporation. During the last ten years the company has paid out in common dividends 80% of its earnings after preferred dividends, as during that period it had no mortgages nor funded debt nor did it borrow any money. Since it was founded in 1892, the enterprise has not had an unprofitable year.

Stockholders

On February 20, 1953 the company had 15,408 common stockholders living in 48 states, the District of Columbia and 10 foreign countries. 9,442 or 62.7 percent of our stockholders owned less than 100 shares. 14,842 or 98.5 percent of our stockholders owned less than 1,000 shares.

Proxies

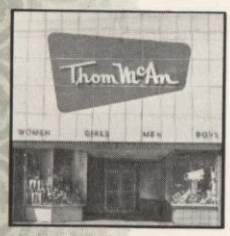
Proxies will be solicited on or about March 20, 1953 for the Annual Meeting to be held Monday, April 6, 1953.

Financial and Operating Record

For the Years 1940-1952

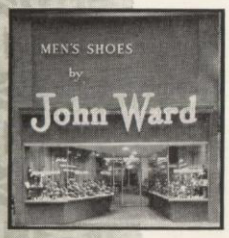
Year	Stores at Year-end	Retail Sales	Factory and Warehouse Sales	Total Sales	Wages and Compensation	Taxes—All	Excess Profit Tax	Earnings before Fed. I. & E. P. Taxes	Earnings After Taxes	Earnings Per Common Share*	Dividends Per Common Share
1952	739	$77,279,922	$47,186,944	$124,466,866	$23,584,510	$6,631,069	$262,500	$ 9,780,990	$4,712,170	$1.91	$1.80
1951	577	70,047,221	55,875,515	125,922,736	21,052,294	7,228,010	544,995	10,456,529	4,669,369	2.00	1.80
1950	560	70,886,795	42,978,136	113,864,931	18,924,759	5,653,838	234,551	9,630,686	5,188,836	2.22	1.80
1949	560	71,864,212	43,292,986	115,157,198	19,258,854	4,640,645	—	9,099,339	5,538,010	2.37	1.80
1948	547	75,568,381	48,446,862	124,015,243	19,842,748	4,919,880	—	9,655,816	5,907,816	2.52	1.80
1947	519	71,992,773	48,566,594	120,559,367	18,747,576	4,971,733	—	9,437,690	5,419,690	2.32	1.65
1946	519	60,213,552	35,072,592	95,286,144	15,728,749	3,397,749	—	6,586,968	3,895,968	1.66	1.15
1945	536	41,216,792	34,956,285	76,173,077	14,038,031	3,008,300	701,900	4,631,577	2,400,907	1.03	1.00
1944	549	37,051,163	33,238,881	70,290,044	13,018,344	2,545,030	188,329	3,884,527	2,192,797	.94	1.00
1943	556	39,238,096	29,288,336	68,526,432	11,778,538	2,985,542	709,862	4,674,122	2,452,069	1.05	1.00
1942	579	51,644,040	36,982,550	88,626,590	13,990,280	5,714,719	3,355,778	7,478,200	2,582,863	1.10	1.00
1941	659	46,653,910	28,588,553	75,242,463	11,982,680	2,789,468	543,500	4,753,348	2,924,275	1.25	1.12
1940	666	40,260,777	22,446,029	62,706,806	9,847,880	1,921,556	68,400	4,339,218	3,210,961	1.37	1.12

* Based on average number of shares outstanding each year, adjusted for 2-for-1 stock split in 1946 and all conversions of preferred shares into common shares.



Stores of Melville Shoe Corporation

as of December 31, 1952



THOM McAN—577 STORES

INCLUDING LEASED DEPARTMENTS (*) AND AGENCY (**), IN 328 CITIES IN 42 STATES AND THE DISTRICT OF COLUMBIA

JOHN WARD—11 STORES

BOSTON • NEWARK • NEW YORK (7) • PHILADELPHIA • WASHINGTON

MILES—151 STORES

IN 74 CITIES IN 7 STATES AND THE DISTRICT OF COLUMBIA

Thom McAn Stores:

ALABAMA (4)

Birmingham (2)
Mobile
Montgomery

ARIZONA (2)

Phoenix
Tucson

ARKANSAS (1)

Little Rock

CALIFORNIA (20)

Compton
Glendale
Hollywood
Huntington Park
Los Angeles (2)
Modesto
Oakland
Palo Alto
Redwood City
Richmond
Sacramento
San Bernardino
San Diego
San Francisco (3)
San Jose
Santa Monica
Van Nuys

COLORADO (2)

Denver (2)

CONNECTICUT (20)

Bridgeport (2)
Bristol
Danbury
Derby
Hartford (3)
Meriden
Middletown
New Britain
New Haven (3)
New London
Norwich
South Manchester
South Norwalk
Stamford
Waterbury

DELAWARE (1)

Wilmington

DISTRICT OF COLUMBIA (6)

Washington (6)

FLORIDA (14)

Fort Lauderdale
Jacksonville (2)
Lakeland
Miami (4)
Orlando
Pensacola
St. Petersburg
Tampa (2)
West Palm Beach

GEORGIA (5)

Atlanta
Augusta
Columbus
Macon
Savannah

IDAHO (1)

Boise

ILLINOIS (28)

Aurora
Chicago (18)
Danville
Decatur
Joliet
Kankakee
Moline
Peoria
Quincy
Rock Island
Springfield

INDIANA (14)

Anderson
Elkhart
Evansville
Fort Wayne (2)
Gary
Hammond
Indianapolis (2)
Lafayette
Marion
Muncie
Richmond
South Bend

IOWA (2)

Davenport
Des Moines

KENTUCKY (8)

Ashland*
Covington
Lexington
Louisville (3)
Newport
Paducah

LOUISIANA (8)

Baton Rouge
Lafayette
Lake Charles
Monroe
New Orleans (3)
Shreveport

MAINE (2)

Lewiston
Portland

MARYLAND (13)

Baltimore (10)
College Park
Cumberland
Hagerstown

MASSACHUSETTS (43)

Attleboro
Boston (11)
- Allston
- Boston (3)
- Dorchester (2)
- East Boston
- Hyde Park
- Roslindale
- Roxbury
- South Boston

Brockton
Cambridge
Chelsea
Everett
Fall River
Fitchburg
Framingham
Gloucester
Haverhill
Holyoke
Lawrence (2)
Lowell
Lynn (2)
Malden
Medford
New Bedford (2)
Norwood**
Pittsfield
Quincy
Salem
Somerville
Springfield (2)
Wakefield
Waltham
Woburn
Worcester (2)

MICHIGAN (31)

Ann Arbor
Battle Creek
Bay City
Dearborn
Detroit (12)
Ferndale
Flint
Grand Rapids
Hamtramck
Highland Park (2)
Jackson
Kalamazoo
Lansing
Muskegon
Pontiac
Port Huron
River Rouge
Saginaw
Wyandotte

MINNESOTA (5)

Duluth
Minneapolis (3)
St. Paul

MISSISSIPPI (7)

Biloxi*
Greenville
Hattiesburg
Jackson
Meridian
Natchez
Vicksburg

MISSOURI (14)

Kansas City (3)
Maplewood
St. Joseph
St. Louis (9)

NEBRASKA (2)

Lincoln
Omaha

NEW HAMPSHIRE (2)

Manchester
Portsmouth

NEW JERSEY (36)

Asbury Park
Atlantic City
Bayonne
Bergenfield
Bloomfield
Camden (2)
Elizabeth
Hackensack
Harrison
Hoboken
Irvington
Jersey City (4)
Morristown
Newark (7)
New Brunswick
Orange
Passaic
Paterson
Perth Amboy
Plainfield
Red Bank
Somerville
Trenton
Union
Union City
West New York

NEW MEXICO (1)

Albuquerque

NEW YORK (122)

Albany (3)
Amsterdam
Bay Shore
Binghamton
Buffalo (7)
Elmira
Freeport
Glens Falls
Hempstead
Huntington
Jamestown
Kenmore
Levittown
Lynbrook
Mount Vernon
Newburgh
New Rochelle
Niagara Falls
New York:
- Manhattan (20)
- Bronx (14)
- Brooklyn (24)
- Queens (18)
- Richmond (2)

Patchogue
Peekskill
Port Chester
Poughkeepsie
Rochester (3)
Schenectady
Syracuse (3)
Troy
Utica (3)
Valley Stream
White Plains
Yonkers

NORTH CAROLINA (8)

Asheville
Charlotte
Durham
Greensboro
High Point
Raleigh
Wilmington
Winston-Salem

OHIO (43)

Akron (2)
Alliance
Canton
Cincinnati (5)
Cleveland (12)
Columbus (3)
Dayton (3)
Hamilton
Lima
Lorain
Mansfield
Middletown
Norwood
Portsmouth
Springfield
Steubenville
Toledo (4)
Warren
Youngstown (2)

OKLAHOMA (2)

Oklahoma City
Tulsa

OREGON (1)

Portland

PENNSYLVANIA (40)

Allentown
Altoona
Beaver Falls
Braddock
Chester
Erie (2)
Greensburg
Harrisburg
Hazleton
Homestead
Johnstown
McKeesport
New Castle
Philadelphia (16)
Pittsburgh (3)
Pottsville
Reading
Scranton
Uniontown
Upper Darby
Wilkes-Barre
York

RHODE ISLAND (9)

Newport
Pawtucket (2)
Providence (3)
Westerly
West Warwick
Woonsocket

SOUTH CAROLINA (4)

Charleston
Columbia
Greenville
Spartanburg

TENNESSEE (6)

Chattanooga
Johnson City
Knoxville
Memphis (2)
Nashville

TEXAS (28)

Abilene
Amarillo
Austin
Baytown
Beaumont
Brownsville
Corpus Christi (2)
Dallas (4)
El Paso
Fort Worth (2)
Galveston
Houston (4)
Laredo
Port Arthur
San Antonio (3)
Tyler
Waco
Wichita Falls

UTAH (2)

Ogden
Salt Lake City

VERMONT (1)

Burlington

VIRGINIA (7)

Arlington
Lynchburg
Newport News
Norfolk
Portsmouth
Richmond
Roanoke

WASHINGTON (2)

Seattle
Tacoma

WEST VIRGINIA (5)

Charleston
Clarksburg
Huntington
Parkersburg
Wheeling

WISCONSIN (5)

Madison
Milwaukee (2)
Oshkosh
West Allis

Miles Stores:

CONNECTICUT (5)

Bridgeport
Danbury
Meriden
South Norwalk
Stamford

DISTRICT OF COLUMBIA (1)

Washington

DELAWARE (1)

Wilmington

MARYLAND (1)

Glen Burnie

NEW JERSEY (38)

Asbury Park
Bayonne
Belleville
Bloomfield
Camden
Clifton
Elizabeth
Englewood
Fairlawn
Hackensack
Hoboken
Irvington
Jersey City (5)
Linden
Long Branch
Morristown
Newark (5)
New Brunswick
Orange
Passaic
Paterson
Perth Amboy
Plainfield
Red Bank
Trenton
Union
Union City
Vineland
Westwood
West New York

NEW YORK (98)

Albany (2)
Amsterdam
Bay Shore
Elmira
Franklin Square
Freeport
Glen Cove
Glens Falls
Gloversville
Great Neck
Hempstead
Huntington
Levittown
Lynbrook
Mount Vernon
Middletown
Newburgh
New Rochelle
New York:
- Manhattan (17)
- Bronx (14)
- Brooklyn (17)
- Queens (19)
- Richmond (2)

Patchogue
Peekskill
Port Chester
Poughkeepsie
Riverhead
Schenectady
Troy
Utica
White Plains
Yonkers

PENNSYLVANIA (6)

Easton
Philadelphia
Pottsville
Scranton
Wilkes-Barre
Williamsport

VIRGINIA (1)

Arlington